

Network Orchestration, Innovation Orientation and Performance: Investigating a Mediated Model with Evidence from the Tourism Industry

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Rationale

- Regarded as the “purposeful tendency to create and pursue changes which contribute positive, economic benefit to the entrepreneurial effort”.
{Schumpeter 1934}
- The “introduction, acceptance and implementation of a new or significantly improved product, process, organizational or marketing method, institution or service”. {Gault 2013, Hjalager 2014}

Product

Process

Organizational

Service

Institutional

Marketing

Rationale

- Innovation research has seen shifting import from goods, technology-manufacturing to service contexts
- Extraction of value from activities among actors collectively engaged in innovation
- How might we better account for innovation processes within services?

Innovation + Network + ICTs?

“Innovation-Network” Perspective

■ Innovation

■ Innovation orientation

- *Organizational culture of openness to new ideas, knowledge, failures*

■ Innovation performance

- *Degree of success of outcomes*

Management research has shown that a culture of innovation orientation drives innovation performance.

“Innovation-Network” Perspective

■ Network

- *Collection of actors engaged in goal-oriented activities*

■ Network orchestration (Dhanaraj & Parkhe, 2005)

- *A set of management processes which positively contribute to innovation performance*

Network theory corrects weakness of current research; focuses on content, character of innovation processes.

“Innovation-Network” Perspective

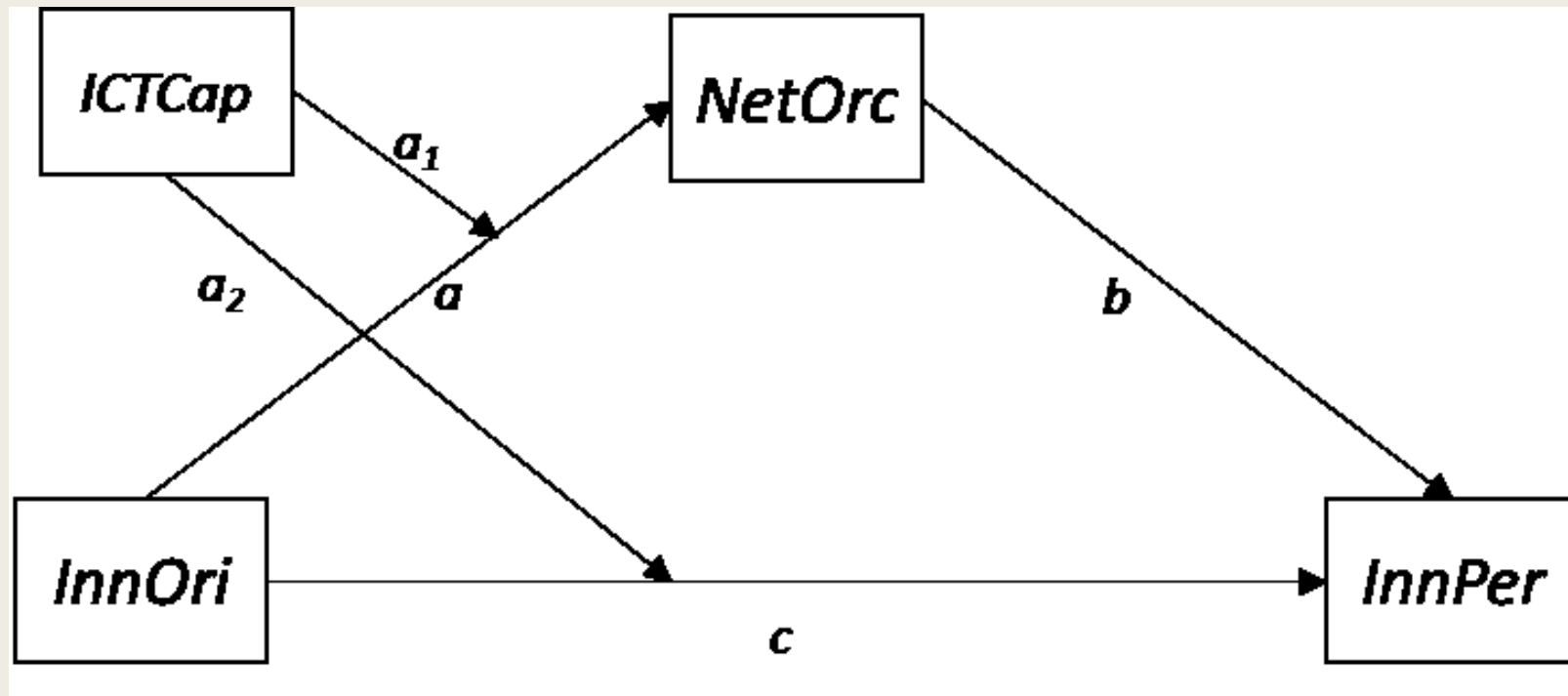
- Network Orchestration
- Knowledge mobility
 - *Ease with which knowledge is shared among members of the innovation network*
- Innovation appropriability
 - *Extent to which innovation rents distributed fairly among members*
- Network stability
 - *Extent to which members remain and participate in innovation network*

“Innovation-Network” Perspective

■ ICT Capability

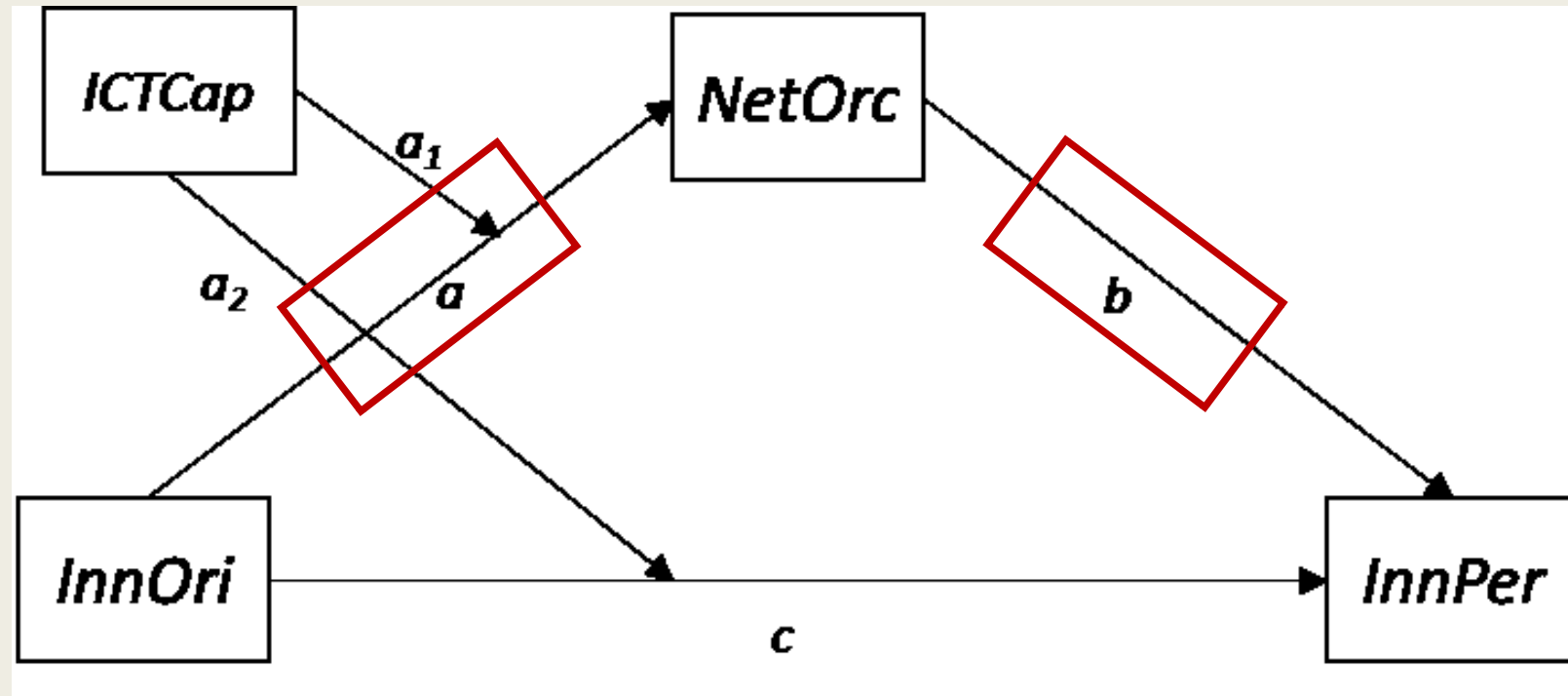
- Extent to which tourism organizations share ICT platforms and databases with partners
- Extent to which organizations can access visitor information through shared systems with destination partners

Theoretical Model—Mediated Moderation



Does network orchestration explain the indirect effect of innovation orientation on innovation performance?

Theoretical Model

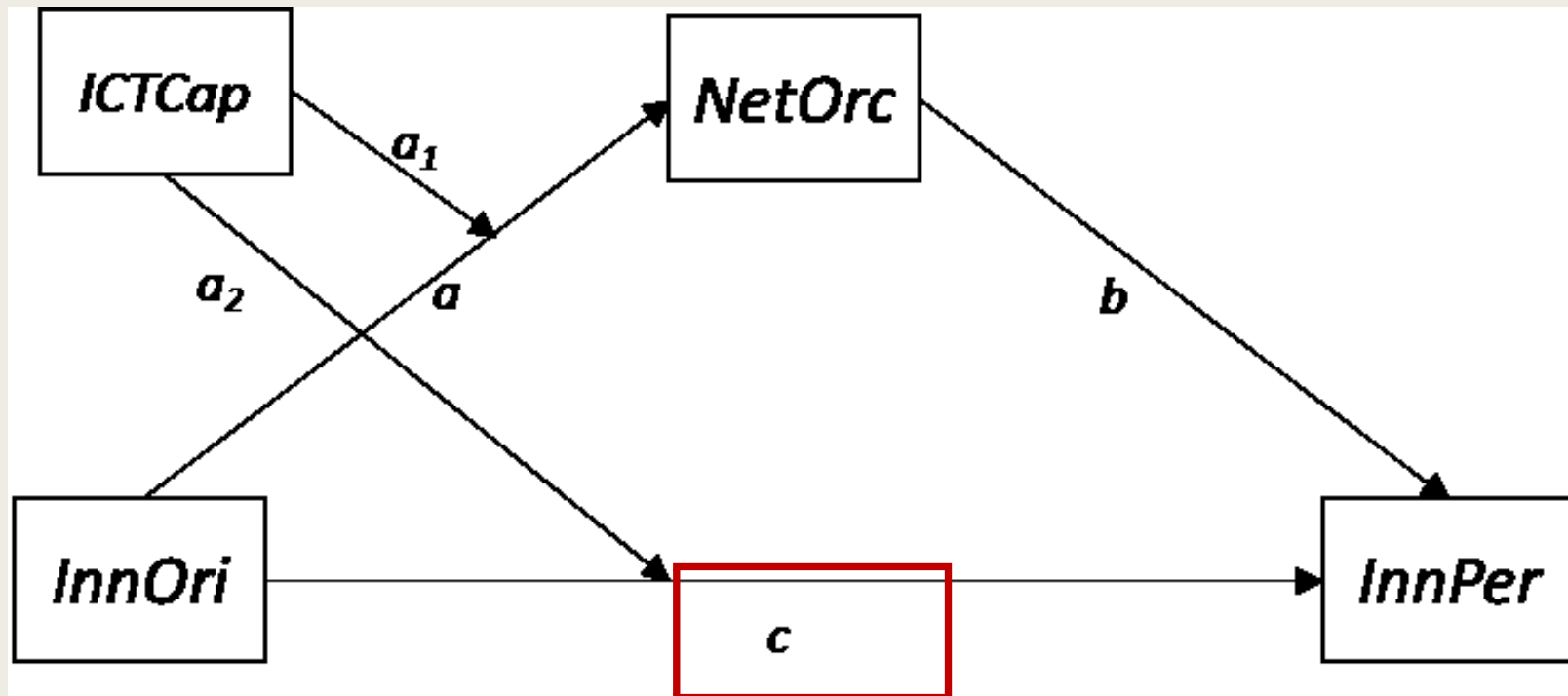


Test for indirect effect of InnOri on InnPer:

$H1_0: ab=0$

$H1_A: ab \neq 0$

Theoretical Model

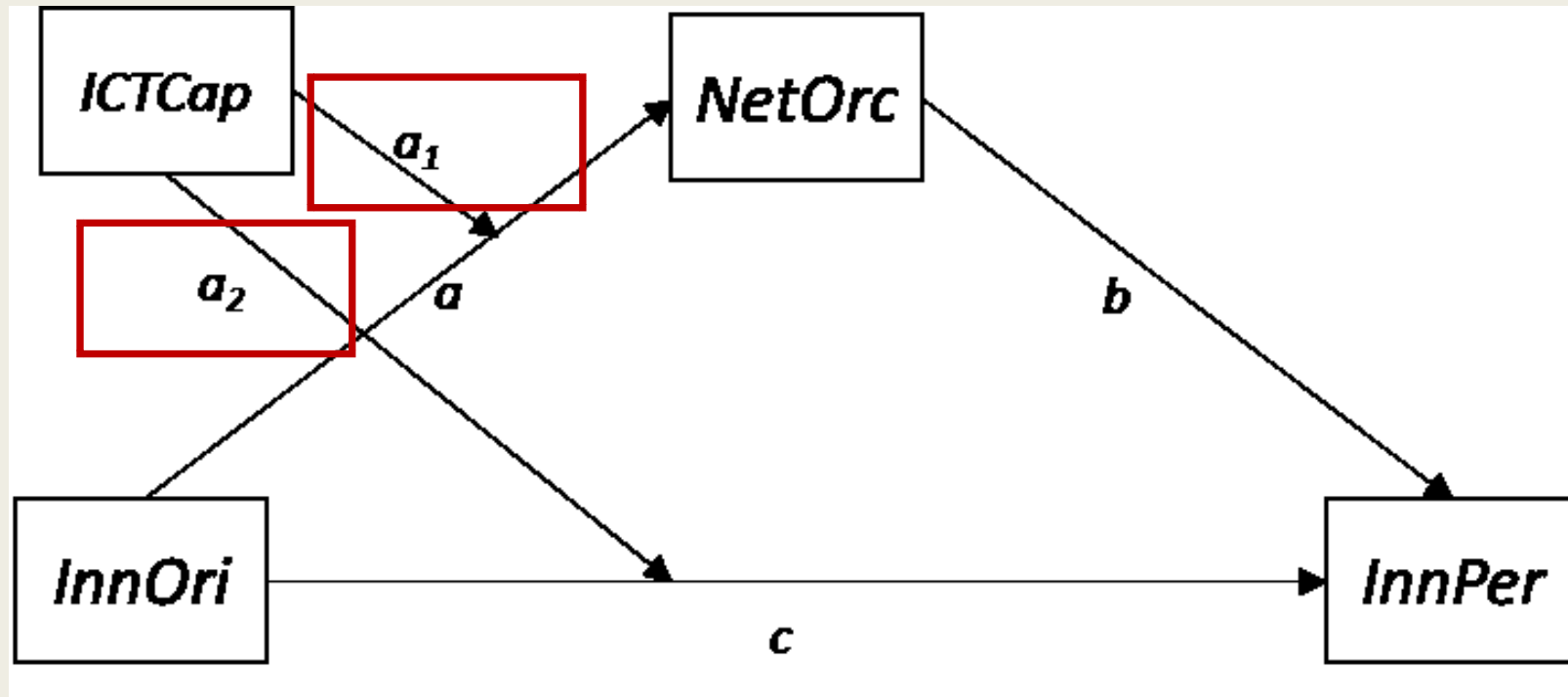


Test for direct effect of InnOri on InnPer:

$H_{2_0}: c=0$

$H_{2_A}: c \neq 0$

Theoretical Model



Test for moderated mediation effects of ICTCap:

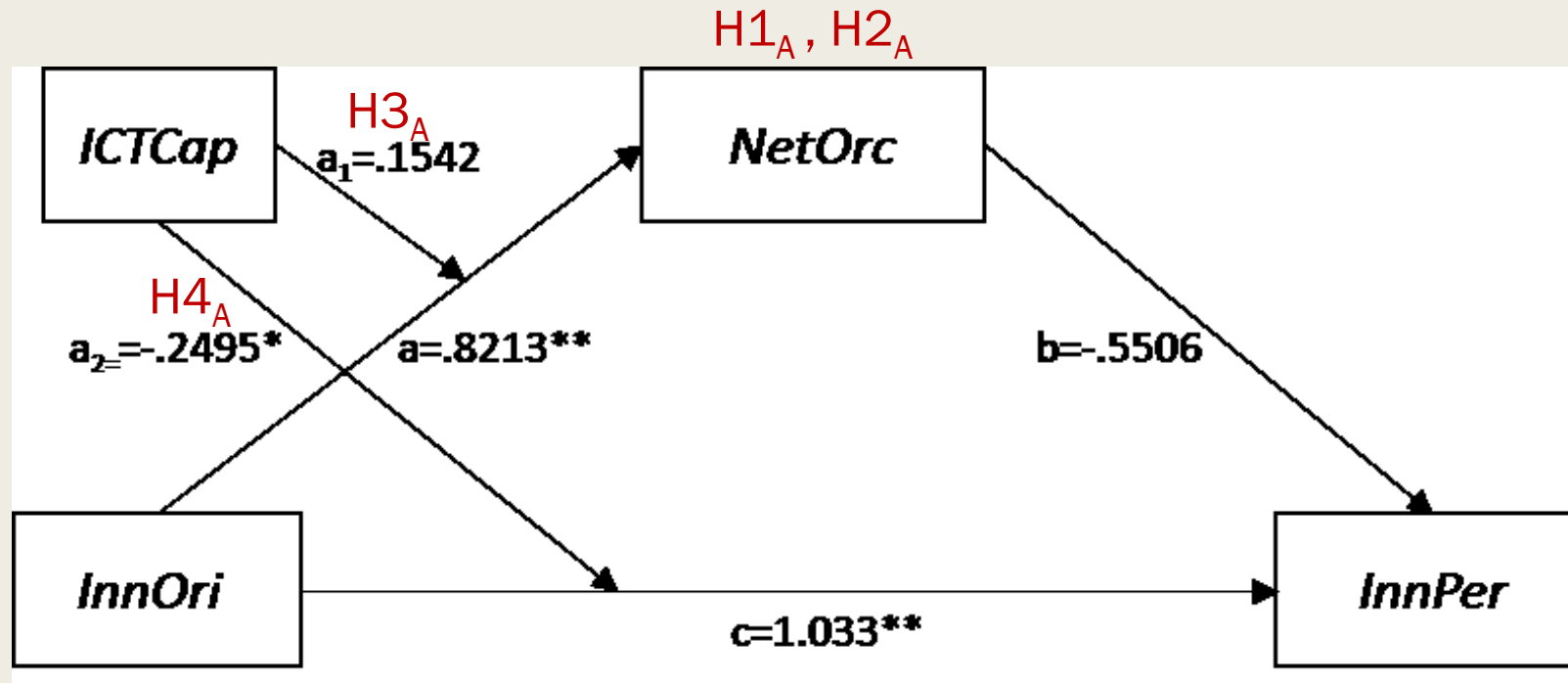
$H3_0: a_1=0$; $H3_A: a_1 \neq 0$

$H4_0: a_2=0$; $H4_A: a_2 \neq 0$

Data and Measurements

- Online survey administered to 450 tourism destination organizations, April 2015; 127 with 90 usable (28% rr.)
- All measurement items adapted from existing scales
 - *Goodness of sample*
 - *Validity and reliability*
 - *Hayes PROCESS analysis*
 - *Bootstrapping technique*

Results



Results

- Total effect $ab+c$ positive and significant ($\beta=0.5807$; $p<.01$), 95% CI excludes zero
 - $H1_A$ and $H2_A$ supported
- Conditional effect a_1 positive and non-significant ($\beta=.1542$; $n.s.$)
 - $H3_A$ not supported
- Conditional effect a_2 negative and significant ($\beta=-.2495$; $p<.05$)
 - $H4_A$ supported

Discussion and Conclusions

- Orchestration of networks (competitively) mediates innovation orientation and performance
 - *Knowledge-sharing drives innovation performance among tourism organizations (+)*
 - *Fair distribution of innovation rents drives innovation performance among tourism organizations (+/-)*
 - *Membership and participation in innovation networks drives innovation performance (+/-)*
- Moderating role of ICT Capability on indirect path not supported
- Moderating role of ICT Capability on direct path supported.
 - *Shared ICTs influence innovation openness and outcomes.*

Implications

- Theoretical

- *In service contexts, network orchestration accounts for the indirect effect of innovation orientation on performance as “competitive mediation” (Zhao et al., 2010)*
 - Suggests that network orchestration may not always positively drive innovation performance

Implications

- **Practical**

- *Knowledge, trust, and collective participation among tourism actors drives innovation performance*
- *Tourism actors may view internal processes as proprietary*
 - not feeling there is a benefit to sharing information, giving support to, or participating in innovation activities
- *Shortcomings associated with knowledge-sharing*
 - ICT databases and platforms.

Limitations and Future Research

- Sample size
- Generalizability
- Expand nomological testing, variables
- Replication known groups comparison

Does network orchestration explain the indirect effect of innovation orientation on innovation performance?

THANK YOU.

